

# SMM Benchmark Review and change

## SMM Methodology Consultation Process

### SMM 方法论内部审查及征询更新流程

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#### 1. Process Overview 流程概述

Where possible SMM will publish on its website advanced notice of a consultation on its methodologies. 在可能的情况下 SMM 将在其网站发布提前通知对其方法论的征询。

All new methodologies will be given an expiry date, normally set for one year. This date will be set at the time of the creation of the methodology and will act as a backstop date by which SMM will conduct its next review of the methodology. This will ensure SMM will consult on its methodologies regularly and give market participants an indication of when the methodology will be reviewed next. 所有新的方法论都将给出一个有效期。该日期是在新的方法论出炉时而定的，当有效期满时，SMM 将进行下一次方法论审阅。这将确保 SMM 将定期征询他的方法论并定期给市场参与者一个指示的什么时候将进行下一次方法论的审阅。

When conducting a general review of its methodologies, SMM will ask broad general questions to ascertain how well the methodology is performing in fulfilling its overall purpose, which is to provide a reliable measure of physical market value. 当进行综合的方法论审阅时，SMM 将询问通用的问题以确定方法论是在实现其总体目标，其总体目标是提供一个可靠的现货市场价值评估。

#### 2. Specific Changes 特别的改变

SMM may consult on specific changes to the methodologies from time to time. Where possible SMM will provide customers with advance notice of these consultations via its website and reports. SMM 可能针对市场具体的变更而对方法论进行及时征询。如果可能的话，SMM 将通过其网站和报告提前通知客户这些方法论的征询。

These changes may be to address an issue identified by SMM in market structure, market behaviour, an existing methodology or in reaction to feedback from customers or market participants on any of these. 方法论征询这些变化是为了解决 SMM 在市场结构，市场行为或现有方法论中确定的，或是回复客户或市场参与者的反馈时所发现的一个问题。

SMM is committed to conducting a fair and open consultation process. It will therefore only decide on a particular methodology change after the consultation process has concluded. Market

participants should not assume that because a change is proposed in a consultation that SMM is minded to make the change. SMM 致力于进行公平、公开的征询过程。因此将只会在咨询过程结束后，才会决定改变方法论。市场参与者不应该以为在咨询过程中建议了变化，就等于 SMM 意在做出其改变。

We would therefore encourage all market participants to engage in the consultation process. 因此，我们鼓励所有市场参与者参与征询过程。

### 3. Consultation Timescales 征询时间尺度

In each consultation document SMM will set out its timetable for the consultation. Timescales on consultations may vary from market to market and location to location. In line with international best practice, the general consultation period will last no fewer than 28 days. This should ensure all counterparties have sufficient time to respond. If parties face time pressures then SMM should, where possible, make reasonable efforts to accommodate late or incomplete responses. 在每个征询文件中，SMM 将设置征询时间表。征询时间的长短会因产品或市场位置而异。与国际最佳实践，一般征询将持续不少于 28 天。这应确保所有相关各方都有足够的时间来回应。如果各方面面临的时间压力那么 SMM 应该，在可能的情况下，将迟交的或不完整的回应纳入到征询结果中。

After the consultation window closes SMM will promptly publish all nonconfidential consultation responses it has received and will begin to review all responses. As part of this process it will create a summary of responses and views provided during the consultation process. Points made in those responses marked confidential may be referenced in the summary, but not attributed to companies or individuals. 征询窗口关闭后 SMM 将及时发布所有的非保密的在征询过程中收到的回复，并将开始审阅所有回复。作为这个过程的一部分，它将对在征询过程中收到的回复和意见做摘要。回复中被标为保密观点的会在总结中提到，但不会说明观点属于哪家公司或个人。

As previously stated, SMM will always seek to fulfil its objective of creating methodologies which result in price (following is called benchmark) assessments which represent market value. SMM will consider market responses with this primary objective in mind. 如前所述，SMM 总是试图达到完善其方法论的目的，以确保其价格评估可代表市场价值。在考虑市场反馈时，SMM 也会以这个目的为中心。

Once SMM has made a decision about whether to change a methodology it will publish its decision along with its summary of market responses. 一旦 SMM 作了决定关于是否去改变一个方法论它将发布其决策和对市场反应的总结。

In certain situations, changing the methodology may result in a material change to the systems or processes of SMM and/or market participants. SMM will always seek to provide the necessary advance notice of such changes to minimise the impact on customers' systems. SMM will therefore provide, either with the decision or shortly thereafter, notices to such effect, which detail the planned date for the change and the nature of the change. Where the change was not referenced in the original consultation then SMM should provide further opportunity for customers to provide feedback. 在某些情况下，方法论的改变可能会导致 SMM 和/或市场参与者的系统或流程发

生重大变化。SMM 尽量提前通知将变化对客户系统的影响最小化，因此，通知会在决定做出变化的同时或不久后发出，通知中会详细阐述计划变化的日期和变化的性质。如果变化没有引用原先的征询，那么 SMM 应为客户提供进一步反馈的机会。

As soon as is practicable following the publication of the decision, SMM will publish the new version of the methodology. Where this is not implemented immediately, SMM will provide details of the date from which the change will apply. The new methodology will also contain an expiry date, normally set for one year. This is the date by which SMM will provide a new general consultation. This will ensure the methodology will be reviewed regularly and give the market greater certainty about when consultations are likely to occur. 在公布决定后，SMM 尽快将发布新版本的方法论。如果不立即执行，SMM 将提供该改变的详细的执行日期。新的方法论也将包含一个有效期。截止有效期满后，SMM 将启动一轮新的征询流程。这将确保该方法论被定期审查，关于何时启动征询流程给予市场更大的确定性。

The Senior Information Manager should be informed prior to publication of the new methodology as they are responsible for ensuring that the methodology is implemented on the correct date (please note that methodologies may be postdated). This does not remove or reduce the obligation on the analyst to ensure they are using the correct methodology. 在发布新方法论之前，高级信息经理应被通知，因为他们负责确保方法论在正确的日期被实施（请注意，方法论可能被标注了实施日期），这不能消除或减少分析师确保他们使用正确的方法论的责任。

#### 4. Detailed Description of the Process 流程具体描述

##### 4.1 Internal Review Process 内部审阅流程

SMM expects its analysts, senior information manager to constantly challenge and review their methodologies on an ongoing basis. This will include considering feedback on the report and methodologies that comes from customers, the sales and marketing functions, other SMM business units and analyst insights. SMM 要求其分析师，经理基于持续性的基础上不断质疑并审查其的方法论。这将包括来自于客户，销售和营销等管理业务单位和分析师对于报告和方法论的见解和反馈。

Market analysts will also constantly gather intelligence on market development and this may also indicate a need to develop or change the existing methodology. 市场分析师也会不断的对市场的发展收集情报，这可能也表明需要发展或改变现有的方法论。

Where a change is recognised as needed this should be flagged to the managers and Director of Commodity Pricing. Director of Commodity Pricing is responsible for coordinating and managing the methodology process. 当一个方法论上的改变被确认是必要的，其变动应上报经理和估价总监。估价总监是负责协调和管理方法论流程的。

Their primary considerations will be as follows: 他们的主要考虑如下：

**Is the change urgent?** On occasion it may be necessary to make a change to a methodology quickly to ensure the reported market benchmarks continue to meet SMM' standards. **变化是紧急的吗？** 有时为了确保报告或价格评估继续达到 SMM 的标准，必须对方法论做迅速的改变。

For example, a change triggered by an unforeseen market event that needs immediate and/or

urgent implementation (e.g. adherence to tradesanctions, impromptu public holiday). This kind of change does not require market consultation. SMM will notify Clients of this kind of Change before it is launched.

**Is the change material?** Some changes to methodologies may be small and of little materiality. For example SMM may adjust the permitted volume size of physical cargos for a particular commodity to reflect new freight capability. 变化是重大的吗？方法论的一些变化可能很小，不是很重大。例如 SMM 可能针对某个商品调整可纳入评估的货量，以反映新的货运能力。

Materiality is somewhat subjective and factors can vary from market to market, in different market conditions and at different stages of a markets development. SMM therefore requires the Director of Commodity Pricing to use professional judgement to determine materiality on a case by case basis, taking into account the impact of the change on the decision making of their customers. 重要性是主观的，一些因素可因不同的市场，市场条件和市场发展的阶段而异。SMM 因此要求估价总监运用专业判断确定每个变化的重要性。考虑到该变化对客户在决策上的影响。

For example, a change that materially alters a benchmark and requires consultation with the market before it is implemented will be include:

Change in publication time/frequency

Change in definition of specification

Change in normalisation and/or calculation procedure

Where a potential change is non-urgent and material then SMM would externally consult with market participants. 当一个潜在的变化是非紧急但是重要的，那么 SMM 将与市场参与者进行外部征询。

All benchmark methodologies must be reviewed annually by the SMM Managing Director of Commodity Pricing and applicable Managers, whether or not material changes in some markets have led to methodology consultation and change within a year.

Consider that, for some benchmarks, the interest may reasonably be expected to undergo potentially material variations on a more frequent basis than annually. So SMM require a benchmark to be reviewed when exceptional circumstances occur (such as unexpected market moves, changing macroeconomic conditions, etc.).

All benchmark methodologies have an expiry date, usually one year, before the expiry date, SMM would usually conduct a general consultation and would ask both the specific and general consultation questions for the benchmark review, then make possible benchmark methodology changes or update the expiry date.

#### 4.2 External Consultation Process 外部征询流程

The external and ongoing methodology process will be managed by the Director of Commodity. They will ensure that SMM will regularly review its methodologies via an external consultation

process. 外部的和持续的方法论流程将由估价总监管理。他们将确保 SMM 将定期通过外部反馈流程检讨其方法论。

To ensure that methodologies are regularly reviewed each new methodology will have an expiry date added at the time of creation, normally set for one year. This will provide a guarantee that SMM will re-consult on the methodology by that date. 为了确保方法论定期被审阅每个新方法论将在创建时添加有效期。这将保证 SMM 在有效期满后重新对方法论进行征询。

From the end of Q3, The Director of Commodity Pricing will publish on the www.smm.cn website a schedule of upcoming consultations. This will assist customers to know which consultations are upcoming. 从第三季度结束后, 估价总监将在 www.smm.cn 网站发布即将举行的征询计划。这将帮助客户了解哪个咨询流程即将被启动。

The Director of Commodity Pricing will then, in conjunction with the analyst, collect and consider feedback on the methodology from customers, the sales and marketing functions, other SMM business units and any other relevant market knowledge. Any issues identified would be addressed through specific questions. Such questions should be as open and objective as possible to avoid 'leading' responders to a particular conclusion. Any specific questions would then be added to the general consultation questions. 估价总监将联合分析师, 从客户, 销售, 市场部以及其他 SMM 的商业部门收集关于方法论的反馈以及其他相关的市场知识。任何已被确认的问题可以具体问题的形式了解。此类问题应是开放的和客观的, 尽可能避免“引导”回答者到一个特定的结论。该具体问题可以将被纳入到一般征询问题中。

The standard and minimum length of time for a consultation will be 28 calendar days in line with standard international practice. Consideration may be given to a longer consultation period in markets that have different custom and practice. 标准的和最少征询时长为 28 个日历日, 符合国际惯例, 可以考虑在不同的习俗和惯例的市场中进行较长的反馈期。

The consultation will be published on www.smm.cn and reasonable efforts will be made to encourage market participants to respond. Such measures may include providing notices in affected reports. 征询将在 www.smm.cn 上发布并且努力地将鼓励市场参与者进行回复。关于这些征询的可以包括在受影响的报告应提供相应通知。

Following the closing of the consultation window, the Director of Commodity Pricing will then, in conjunction with the analyst, review the responses. Non-confidential responses will be published on www.smm.cn. SMM will also publish a summary of all responses. 在征询窗口的关闭, 估价总监将联合分析师一起回顾所有回复。非机密的回复将在 www.smm.cn 上发表。SMM 还将公布所有的回复总结。

SMM will publish its decision and where necessary any notices of changes to systems. Where a decision reflects a change not envisaged in the consultation document then SMM will provide an opportunity for further feedback from customers on this specific change. Where a problem is identified then SMM will consider full re-consultation or alternative solutions. SMM 将公布其决定, 若有必要, 会对系统上变化发布相应通知。若一个决定反映了一个不是在征询过程中设

想到的变化，那么 SMM 将提供给客户对该变化进一步反馈的机会。若一个问题被确定，SMM 将考虑启动新一轮的方法论征询流程，或提供另一个解决方案。

Timeframe for SMM to notify Clients of Benchmark Change and launch date: Min. four weeks (28 days) prior to launch date, unless there are unavoidable and unpreventable circumstances such as natural disasters, war or bankruptcy of the exchange, which will shorten the period, or it is not practical due to market conditions.

Once a change is final, SMM will publish an updated methodology on www.smm.cn. All methodologies which relate to benchmarks must be compliant with the IOSCO Principles and the Director of Commodity Pricing or Information Director ensure that such methodologies reflects the IOSCO Principles. 一旦改变被最终确定，SMM 将在 www.smm.cn 发布一个更新的方法论。所有涉及到的标准的方法论必须符合 IOSCO 准则和估价总监，或信息总监应确保这些方法反映了 IOSCO 准则。

Approval of the new methodology is given by the Director of Commodity Pricing on behalf of SMM when they send the methodology for upload to the www.smm.cn website. 由估价总监代表 SMM 批准新方法论被上传到 www.smm.cn 网站。

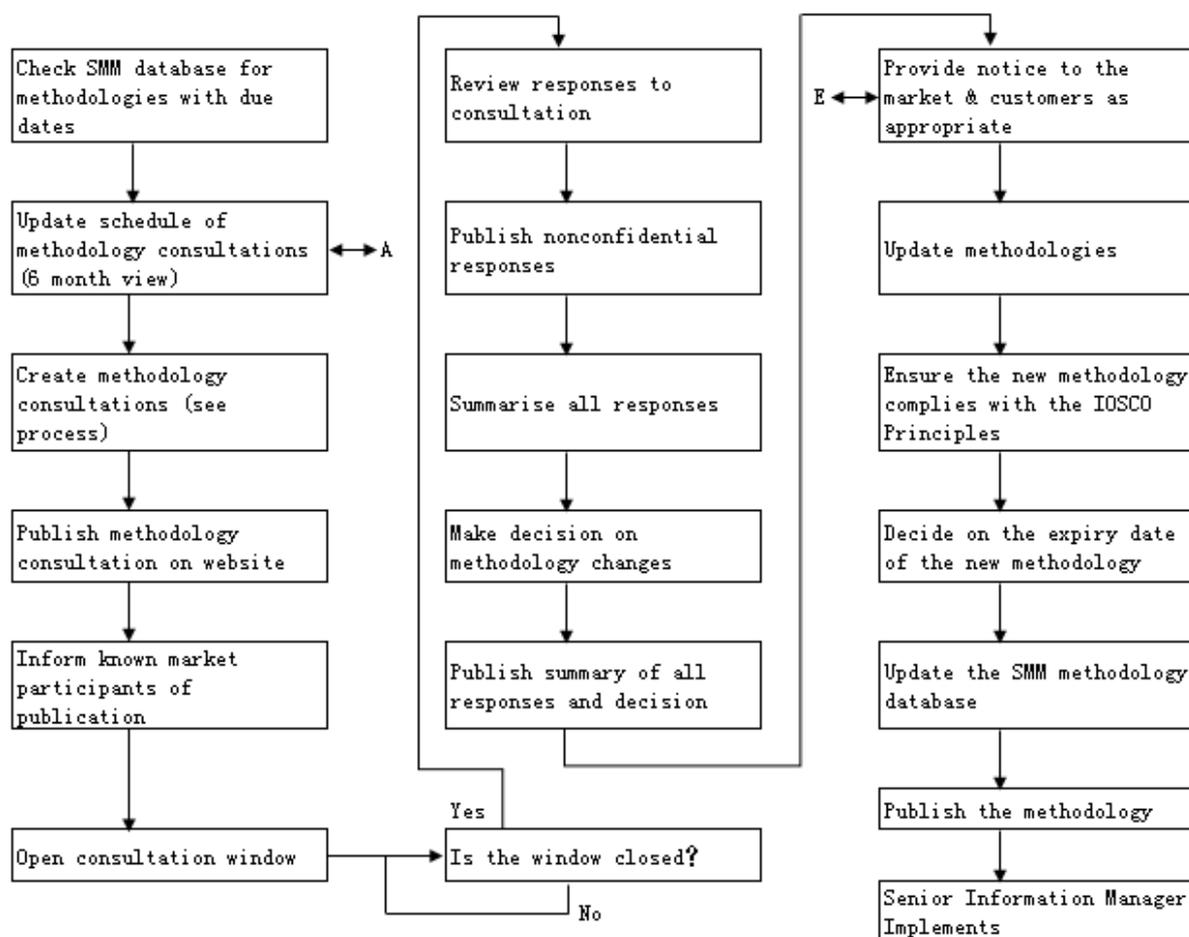
The updated methodology must have an expiry date clearly stated within the methodology document, normally set for one year. In setting the expiry date, consideration should be given to the nature of the benchmark being assessed, the volume of users, market volatility and other such factors relevant to the effective assessment of the particular benchmark. 在方法论的文件中更新的方法论必须有一个明确的有效期。在设定有效期时，应考虑被评估价格的性质，用户量，市场波动性和其他对于具体价格有效评估相关的因素。

The Director of Commodity Pricing will approve the publication of the new methodology document. The Senior Information Manager will ensure that the new methodology is applied from the correct date. Please note that this requirement does not negate the analyst/ responsibility to ensure that they understand and are using the correct methodology. 估价总监将批准新的方法论文件的公布，高级信息经理将确保新的方法论从正确的日期开始使用，请注意，这一要求并不是代表分析师无需承担确保自己理解并使用正确的方法论的责任。

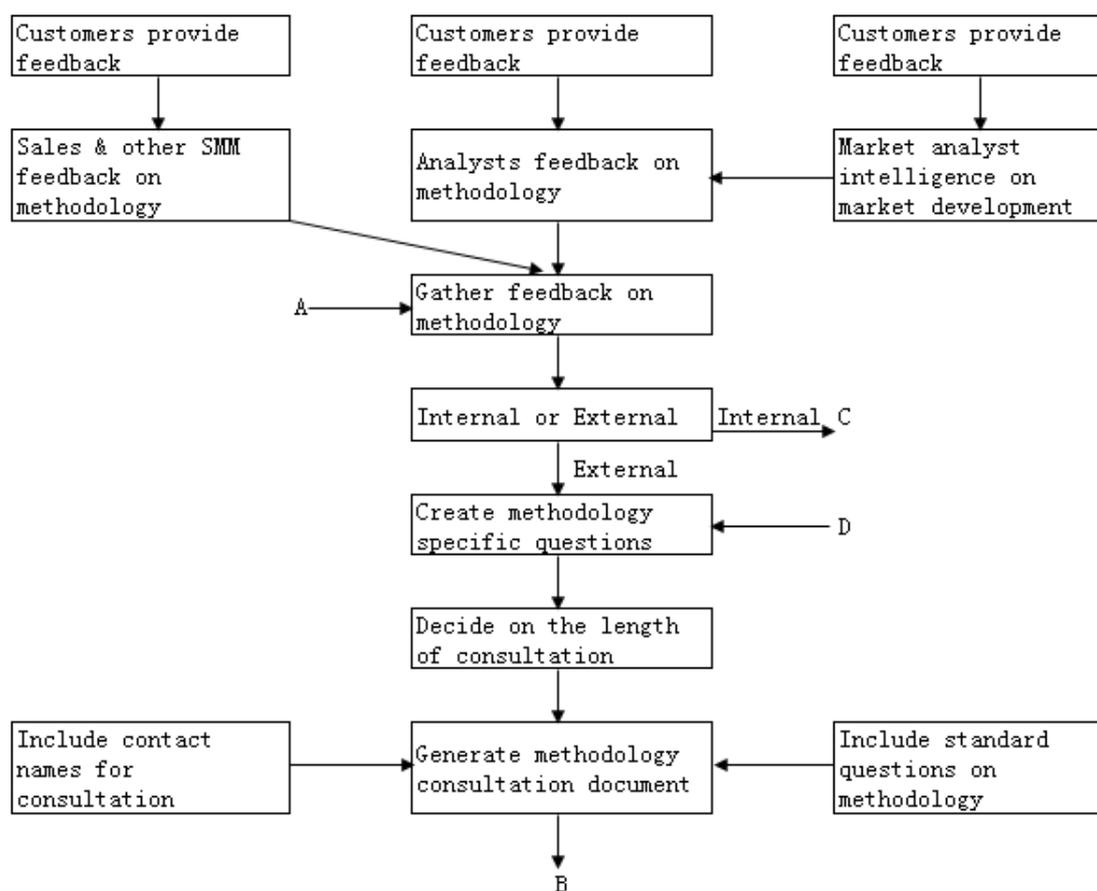
In addition to industry feedback, the following information should be made available:

- A summary of any review where material revisions have been made to a benchmark.
- The rationale for revisions made to a benchmark.

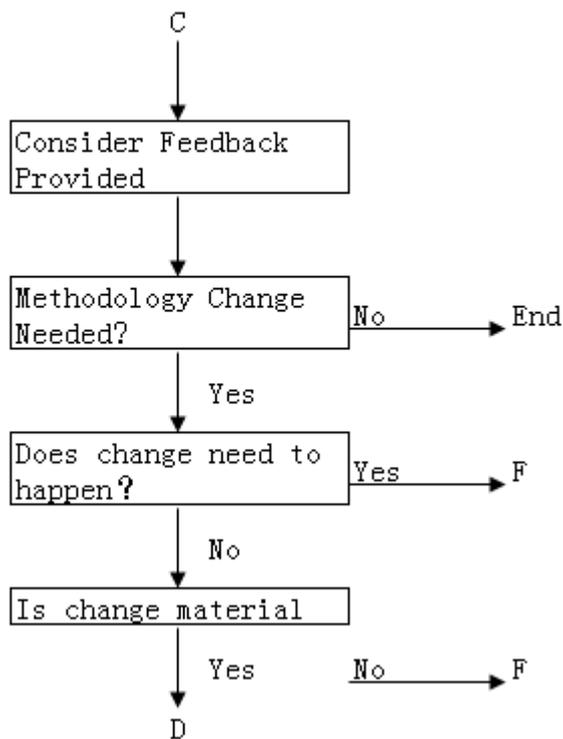
## SMM General Methodology Consultation Process



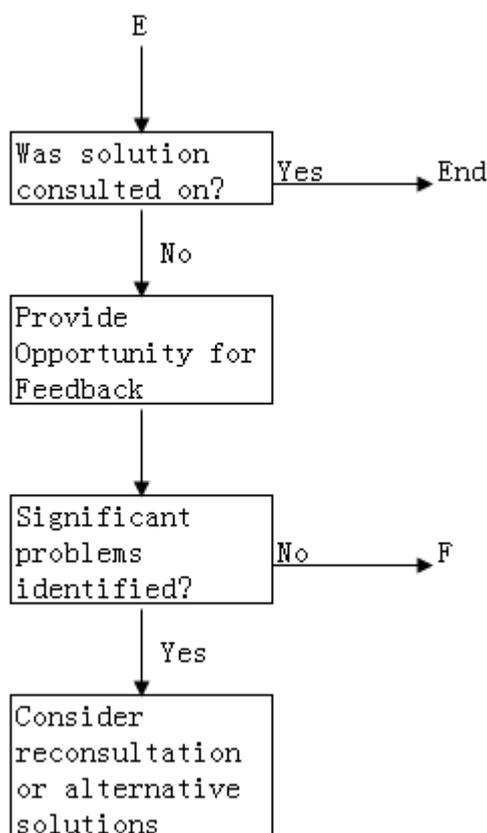
## SMM Create Methodology Consultation Process



## SMM Internal Methodology Review SubProcess



## Check for Material Impact Sub-Process



### 5. Methodology Standards 方法论标准

The standards below reflect SMM' internal standards and the IOSCO principles as they relate to the creation or development of benchmark methodologies. 下面的标准反映 SMM 的内部标准和国际证监会组织原则，并涉及价格评估方法的创造和发展。

#### 5.1 Standards 标准

We will do all we can to ensure that our methodologies promote the integrity and transparency of the benchmark reporting process. 我们将尽我们所能确保我们的方法论促进价格报告过程的诚信和透明度。

We will publish the methodologies used to produce our benchmark assessments on our website free of charge. The methodologies shall aim to achieve benchmark assessments that are representative of market value. 我们将在我们的网站免费发布我们的价格评估方法论。方法论的目标是实现可代表市场价格的价格评估。

Where possible we will specify in detail the criteria that define the physical commodity that is the subject of a particular methodology. 在可能的情况下，我们将详细说明被评估的产品的标准定义。

At a minimum, a methodology published by SMM should describe criteria and procedures that are used to develop an assessment, including: 至少, SMM 公布的方法论应描述用于建立一个价格评估的标准和程序, 包括:

- (i) how we use the specific volume, concluded and reported transactions, bids, offers and any other market information (collectively “market data”) in our assessment and/or assessment time periods 我们如何使用具体的数量, 已成交的和被报道的交易, 询价, 报价和任何其他市场信息 (统称为“市场数据”) 在我们的评估和/或评估时间段
- (ii) why a specific reference unit is used 为什么使用一个特定的参考单位
- (iii) how we collect such market data 我们如何收集这些市场数据
- (iv) the guidelines that control the exercise of judgment by market analyst and 控制市场分析师使用判断的规则
- (v) any other information, such as assumptions, models and/or extrapolation from collected data that are considered in making an assessment. 任何其他的信息, 例如在进行价格评估时所考虑到的因素, 如假设, 数据模型和/或从收集到的数据延伸而成的数据。

A methodology published by SMM will describe the relative importance that generally will be assigned to each criterion used in forming the benchmark assessment (i.e., type of market data used, type of criterion used to guide judgment). This is not intended to restrict the specific application of the relevant methodology but is to ensure the quality and integrity of the benchmark assessment. SMM 公布的方法论将描述各个在价格评估中通常会被考虑到的因素, 及其相对的重要性。(即, 市场数据的类型, 用于指导判断的标准)。这不是为了限制相关方法论的具体应用, 而是保证价格评估的质量和诚信。

We will state in our methodology whether a minimum amount of transaction data (i.e. completed transactions) is required for a benchmark assessment to be published, and if so, what the threshold is. If no such threshold exists, the reason why a minimum threshold is not established will be explained, including procedures where there is no transaction data. We will also outline criteria that address the assessment periods where the gathered data falls below any transaction data threshold or the requisite SMM quality standards, including any alternative methods of assessment. 我们将在我们的方法论中陈述, 是否有最低量的交易数据(即完成交易)是价格评估所需的, 如果是这样的话, 什么是门槛。如果没有这样的门槛, 将解释为什么不建立最低门槛的原因, 和当市场上没有成交时是启动什么价格评估程序。我们也将说明当在价格评估期间收集的成交数量少于评估所需的成交数量或不符 SMM 的质量标准, 会以什么方法做评估工作, 包括任何替代的评估方法。

We will state in our methodology our criteria and procedures that address assessment periods where one or more market participants provide market data that constitutes a significant proportion of the total data upon which the benchmark assessment is based. We will define in our criteria and procedures what constitutes a “significant proportion” for each benchmark assessment. 我们也将说明当一个或多个市场参与者提供的数据占了用于价格评估的数据的重大的比例, 会以什么方法做评估工作, 我们将在我们的标准和程序中定义, 对于每一个价格评估, 什么会构成一个“重要的比例”。

Where consistent with our methodologies and approach to ensuring quality and integrity of benchmark assessments, we will utilise market data giving priority to: 1. Concluded and reported transactions; 2. Bids and offers; 3. Other market information. If concluded transactions are not given priority the reasons will be explained. 为确保价格评估的质量和诚信的方法论和做法相一致，我们使用市场数据，将优先考虑：1. 已成交的和被报道的交易；2. 询价和报价；3. 其他市场信息。如果实际交易在评估中不被优先考虑，则需解释其原因。

We will, where possible, adopt practices, reflected in our methodologies, designed to ensure that benchmark assessment processes are consistently applied by SMM benchmark reporting staff. 我们会尽可能我们的价格评估反映了我们的方法论，从而确保 SMM 价格报告的员工运用的价格评估过程是一致的。

We will operate non-discriminatory participation and data collection processes and where possible this will be reflected in our methodologies. 我们将运用非歧视性的参与和数据收集过程，并在可能的情况下将其反映在我们的方法论中。

We have clear policies and processes for collecting, evaluating and utilising data for the purposes of our benchmark assessments, including published criteria for timeliness of market data gathered by or submitted to us and the means for such gathering or submission (i.e. electronically, via telephone, etc.) 关于为我们的价格评估的数据采集，评估和利用，我们有明确的政策和流程，包括已公布的对市场数据采集或接收的及时性定义，和其采集或接收的途径（即电子版本，通过电话等）。

We will employ sufficient measures designed to ensure market data collected by or submitted to SMM and considered in a benchmark assessment is bona fide, meaning that the parties providing the market data have executed, or are prepared to execute, transactions generating such market data and the concluded or potential transactions are at arm's-length from each other. Particular attention will be made in this regard to inter-affiliate transactions. 我们将采取足够的措施来确保 SMM 收集或接收的用于价格评估的市场数据是真实的，这意味着市场数据提供商已经执行或准备执行交易，而该交易的市场数据和结论或是潜在的交易时公平交易。关联方之间的交易应值的特别关注。

We will in our methodology, specify the criteria that define which entities may provide market data for use in our assessment process, and which representatives or functions of those entities may, in the view of SMM, provide market data for that entity. We will have in place, quality-control measures to evaluate the identity of individuals providing data on behalf of such entities. 我们将在方法论中，特别定义在价格评估过程中提供信息及数据方的标准，以 SMM 的角度，该市场参与者的代表或部门是也可以提供信息及数据。我们将采取质量控制措施去核实代表该市场参与者提供数据的个人身份。

If we have rules governing which market participants may be admitted to the constituency of persons inputting trade or other data into our benchmark assessment processes, then we will publish in the methodology such rules and the factors and criteria which we regard as being most relevant to such admittance. 关于指定哪些市场人士可以提供给 SMM 做价格评估的数据信息

我们拥有相关规则，该规则是最重要的决定因素包含在在我们所发布的价格评估方法论中的。

We will encourage market participants that provide any market data to provide all of their market data that falls within SMM' criteria for that assessment. 我们将鼓励提供任何市场数据的市场参与者，提供符合 SMM 价格评估标准的市场数据。

We will seek, so far as it is reasonable, that data provided is representative of the market participants' actual concluded transactions. Where appropriate we will encourage market participants to submit transaction data from back office functions and seek corroborating data from other sources when transaction data is received. 我们将在合理的范围内要求，所提供的数据是代表市场参与者的实际成交的。在适当的情况下，我们将鼓励市场参与者提交后台部门的交易数据，当收到数据时并与从其他信息提供方获得数据进行核实。

We will employ a system of appropriate measures so that, to the extent possible, market participants who provide market data comply with SMM' quality and integrity standards for market data. 我们将采用适当的系统化的措施，在可能的范围内，使提供市场数据的市场参与者符合 SMM 市场数据质量和真实性的标准。

Criteria for inclusion or exclusion of transaction data in the process of determining a benchmark assessment will be set out in our methodology. 方法论中将会设置关于交易数据包含或排斥在价格评估决定过程中的标准。